

# Forward Looking Statements

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Such factors include, among others, the following: the ability of GM to realize production efficiencies, to achieve reductions in costs as a result of the turnaround restructuring, health care cost reductions and an accelerated attrition program and to implement capital expenditures at levels and times planned by management; the pace of product introductions; market acceptance of the Corporation's new products; significant changes in the competitive environment and the effect of competition in the Corporation's markets, including on GM's pricing policies; our ability to maintain adequate liquidity and financing sources and an appropriate level of debt; restrictions on GMAC's and ResCap's ability to pay dividends and prepay subordinated debt obligations to us; changes in the existing, or the adoption of new, laws, regulations, policies or other activities of governments, agencies and similar organizations where such actions may affect the production, licensing, distribution or sale of our products, the cost thereof or applicable tax rates; costs and risks associated with litigation; the final results of investigations and inquiries by the SEC; changes in our accounting principles, or their application or interpretation, and our ability to make estimates and the assumptions underlying the estimates, including the range of estimates for the Delphi pension benefit guarantees, which could result in an impact on earnings; changes in relations with unions and employees/retirees and the legal interpretations of the agreements with those unions with regard to employees/retirees; negotiations and bankruptcy court actions with respect to Delphi's obligations to GM, negotiations with respect to GM's obligations under the pension benefit guarantees to Delphi employees, and GM's ability to recover any indemnity claims against Delphi; labor strikes or work stoppages at GM or its key suppliers such as Delphi or financial difficulties at GM's key suppliers such as Delphi; additional credit rating downgrades and the effects thereof; our ability to complete the sale of a 51-percent controlling interest in GMAC and the effect of that sale on the results of GM's and GMAC's operations and liquidity; other factors affecting financing and insurance operating segments' results of operations and financial condition such as credit ratings, adequate access to the market, changes in the residual value of off-lease vehicles, changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which its mortgage subsidiaries operate, and changes in its contractual servicing rights; shortages of and price increases for fuel; and changes in economic conditions, commodity prices, currency exchange rates or political stability in the markets in which we operate.

In addition, GMAC's actual results may differ materially due to numerous important factors that are described in GMAC's most recent report on SEC Form 10-K, which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: the ability of GM to complete the sale of a 51-percent controlling interest in GMAC; significant changes in the competitive environment and the effect of competition in GMAC's and GM's markets, including on GMAC's and GM's pricing policies; GMAC's ability to maintain adequate financing sources and an appropriate level of debt; the profitability and financial condition of GM, including changes in production or sales of GM vehicles, risks based on GM's contingent benefit guarantees and the possibility of labor strikes or work stoppages at GM or at key suppliers such as Delphi; funding obligations under GM and its subsidiaries' qualified U.S. defined benefits pension plans; restrictions on ResCap's ability to pay dividends and prepay subordinated debt obligations to GMAC; changes in the residual value of off-lease vehicles; changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which GMAC's mortgage subsidiaries operate; changes in GMAC's contractual servicing rights; costs and risks associated with litigation; changes in GMAC's accounting assumptions that may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; changes in the credit ratings of GMAC or GM; the threat of natural calamities; changes in economic conditions, currency exchange rates or political stability in the markets in which we operate; and changes in the existing, or the adoption of new, laws, regulations, policies or other activities of governments, agencies and similar organizations.

Use of the term "loans" describes products associated with direct and indirect lending activities of GMAC's global operations. The specific products include retail installment sales contracts, loans, lines of credit, leases or other financing products. The term "originate" refers to GMAC's purchase, acquisition or direct origination of various "loan" products.

Investors are cautioned not to place undue reliance on forward-looking statements. GM undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other such factors that affect the subject of these statements, except where expressly required by law.

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## Reg G Reconciliations

Additionally, in accordance with Regulation G, supplemental financial disclosure is included which provides a quantitative reconciliation of non-GAAP financial disclosures addressed in the context of the following chart set to GM's GAAP financial results and provides definition around non-GAAP terminology addressed. Also GM's form 8-K filed 4/20/06 for quantitative reconciliations to GAAP.

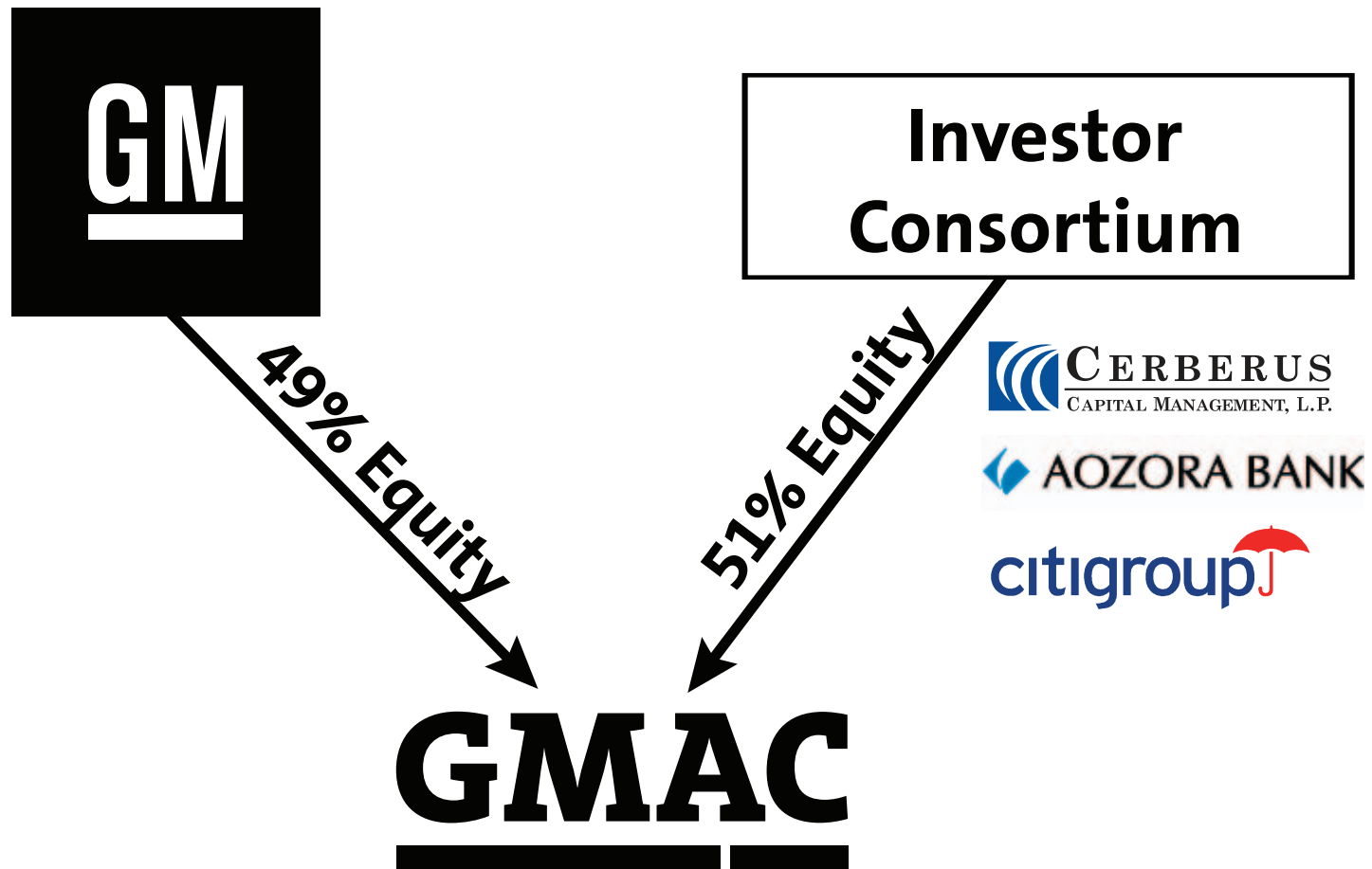
# **GMAC FINANCIAL SERVICES**

## Review & Outlook

**Eric Feldstein**

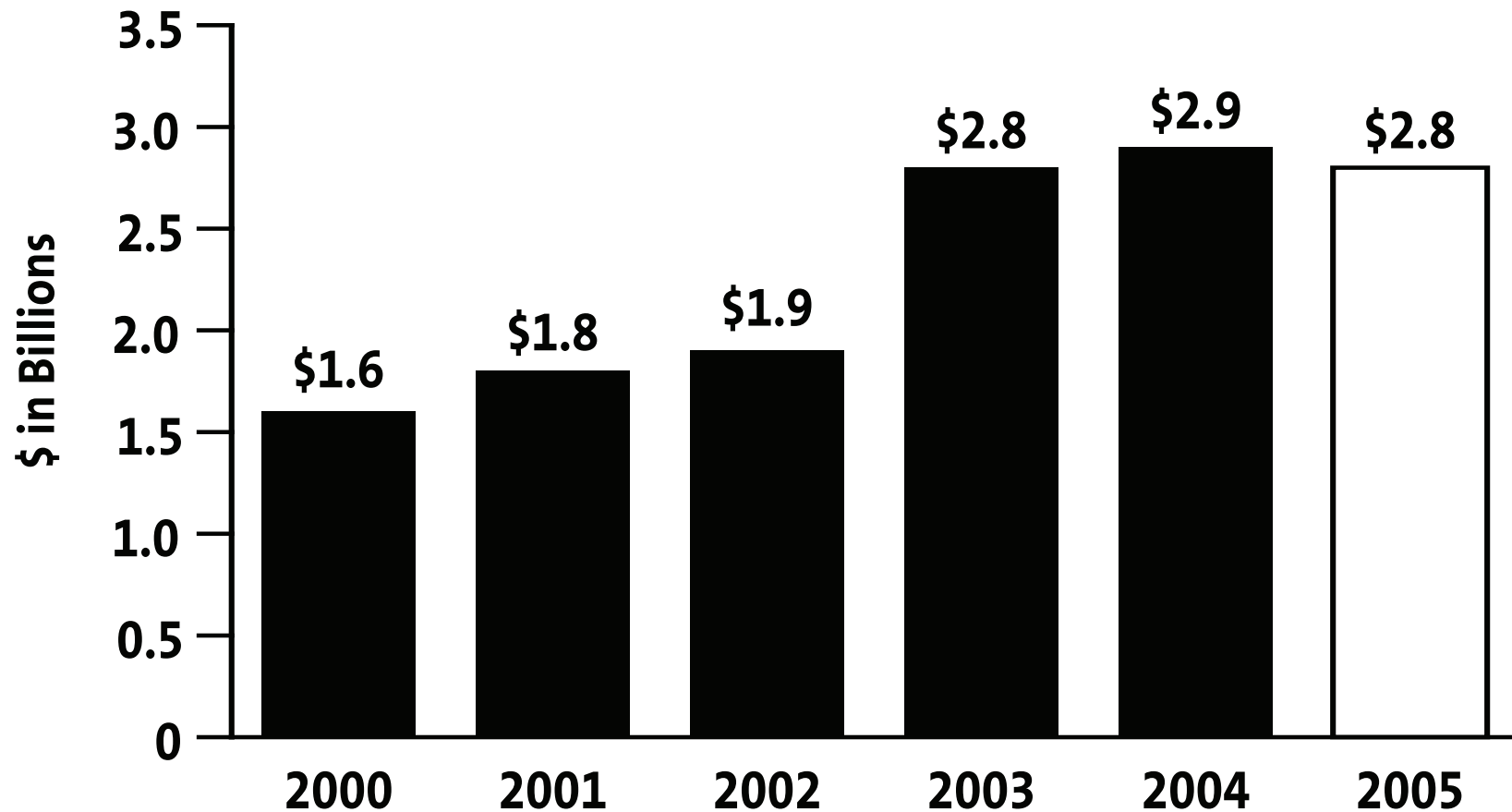
*Chairman,  
GMAC Financial Services*

# Transaction Overview



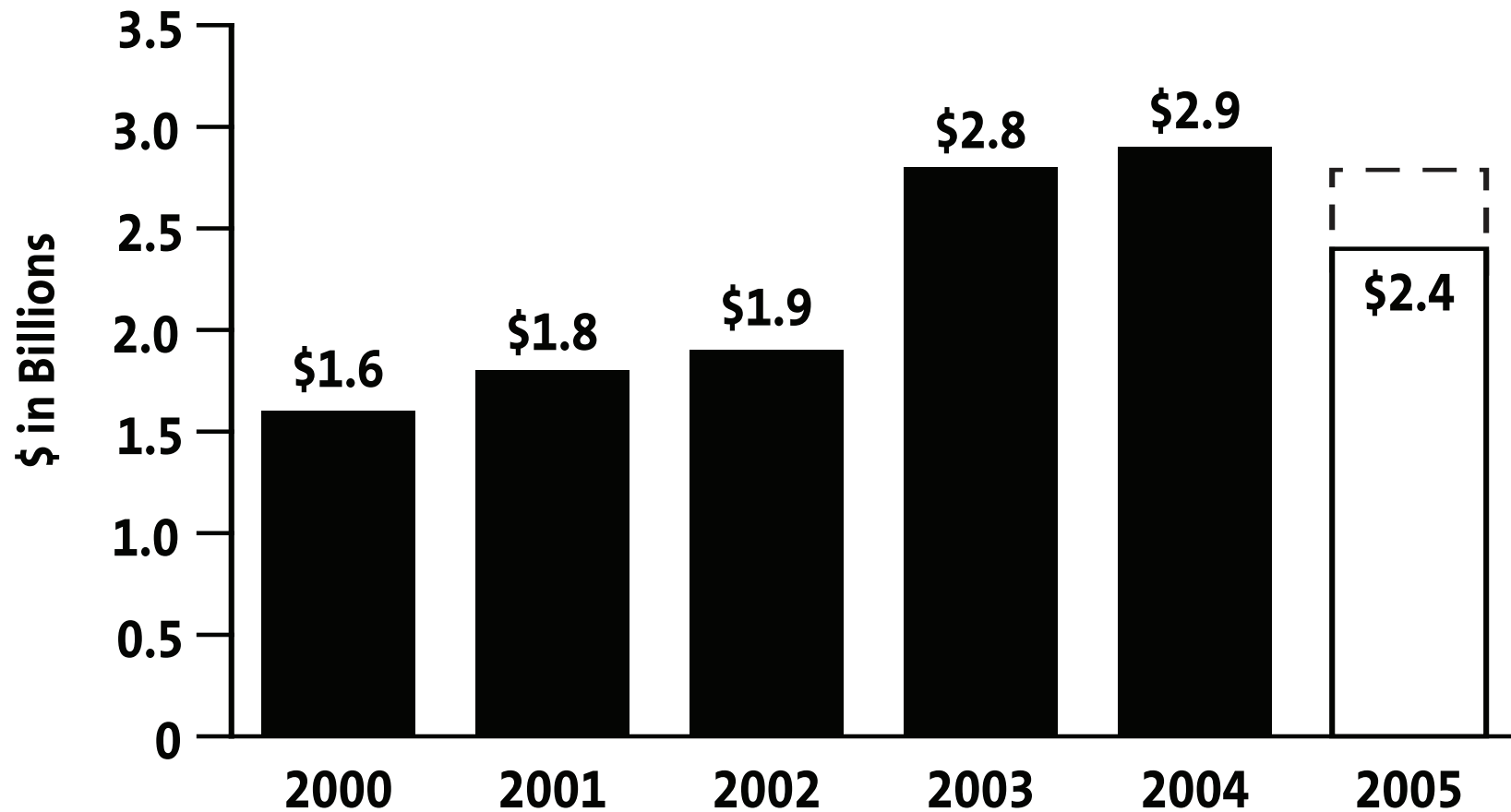
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# *Consolidated Operating Earnings*



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# *Consolidated Operating Earnings*

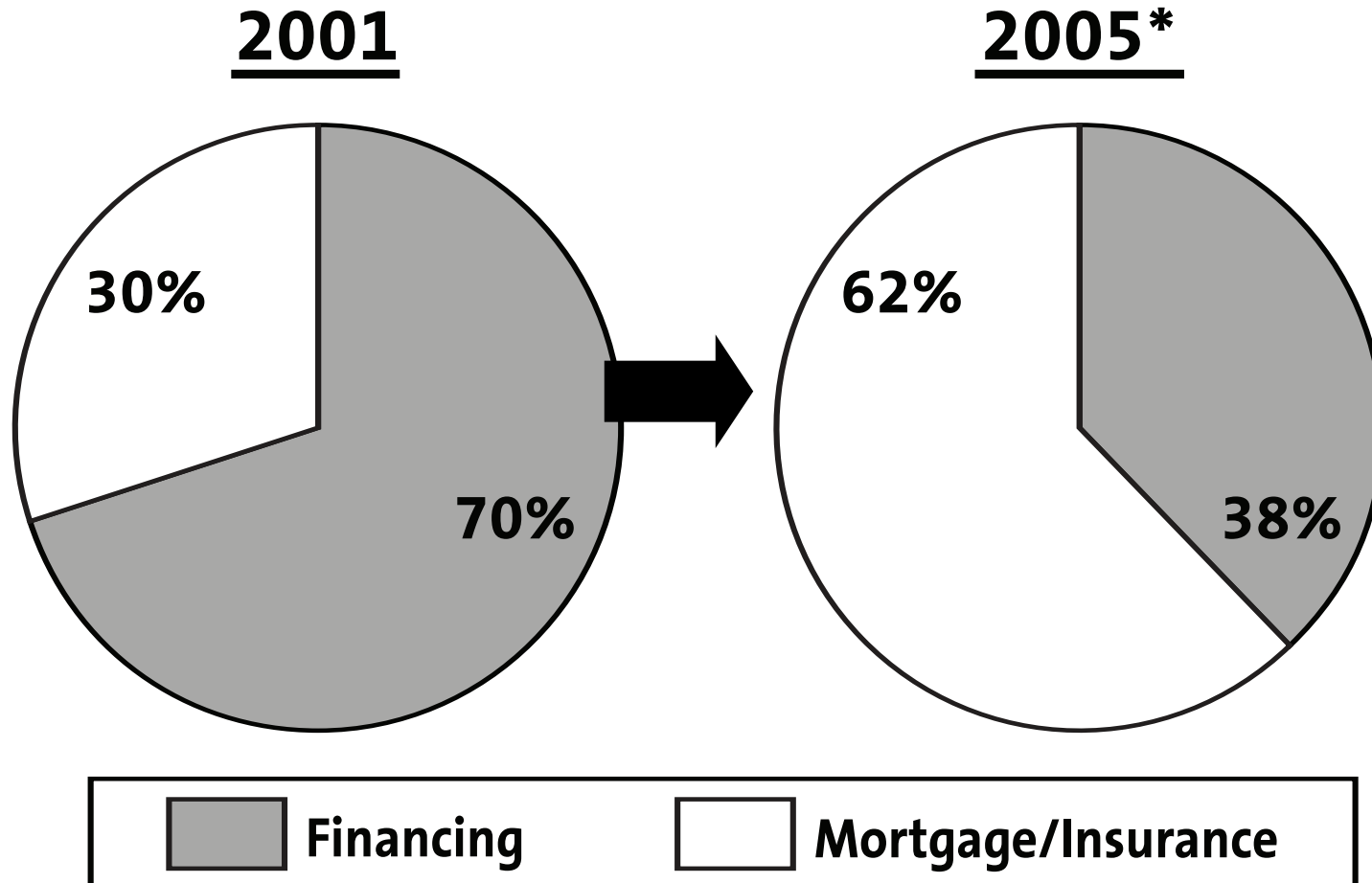


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# ***2005 Challenges***

- Credit rating downgraded below investment grade
  - Several additional GM/GMAC rating downgrades incurred
  
- GMAC borrowing spreads climbed to unprecedented levels
  
- Short-term interest rates trended upward
  - 3-month LIBOR increased by nearly 200 bps
  - Yield curve flattened

# Earnings Mix – Business Diversification



\* Excluding goodwill impairment charges

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# *Strategic Vision*

## **Create Premier Global Finance Company**

- Leadership positions across all major sectors
  - #1 in Auto Finance
  - Top 10 player in Mortgage
  - #1 provider of Extended Warranty
  - #1 provider of Dealer Inventory Insurance
- Tremendous asset origination capability
- World-class servicing operations
- Global franchise spanning 40 countries

# *Strategic Vision*

## Create Premier Global Finance Company

### Business Strengths Achieved

- ⊕ Leadership positions across all major sectors
- ⊕ Tremendous asset origination capability
- ⊕ World-class servicing
- ⊕ Global franchise

### Constraints

- ⊖ Credit rating
- ⊖ Balance sheet capacity
- ⊖ Uncompetitive funding cost

# *Strategic Vision*

## Create Premier Global Finance Company

### GMAC Business Strengths

- ⊕ Leadership positions across all major sectors
- ⊕ Tremendous asset origination capability
- ⊕ World-class servicing
- ⊕ Global franchise



### Consortium Provided Benefits

- ⊕ Stable/Improving credit rating
- ⊕ Balance sheet capacity
- ⊕ Competitive funding cost

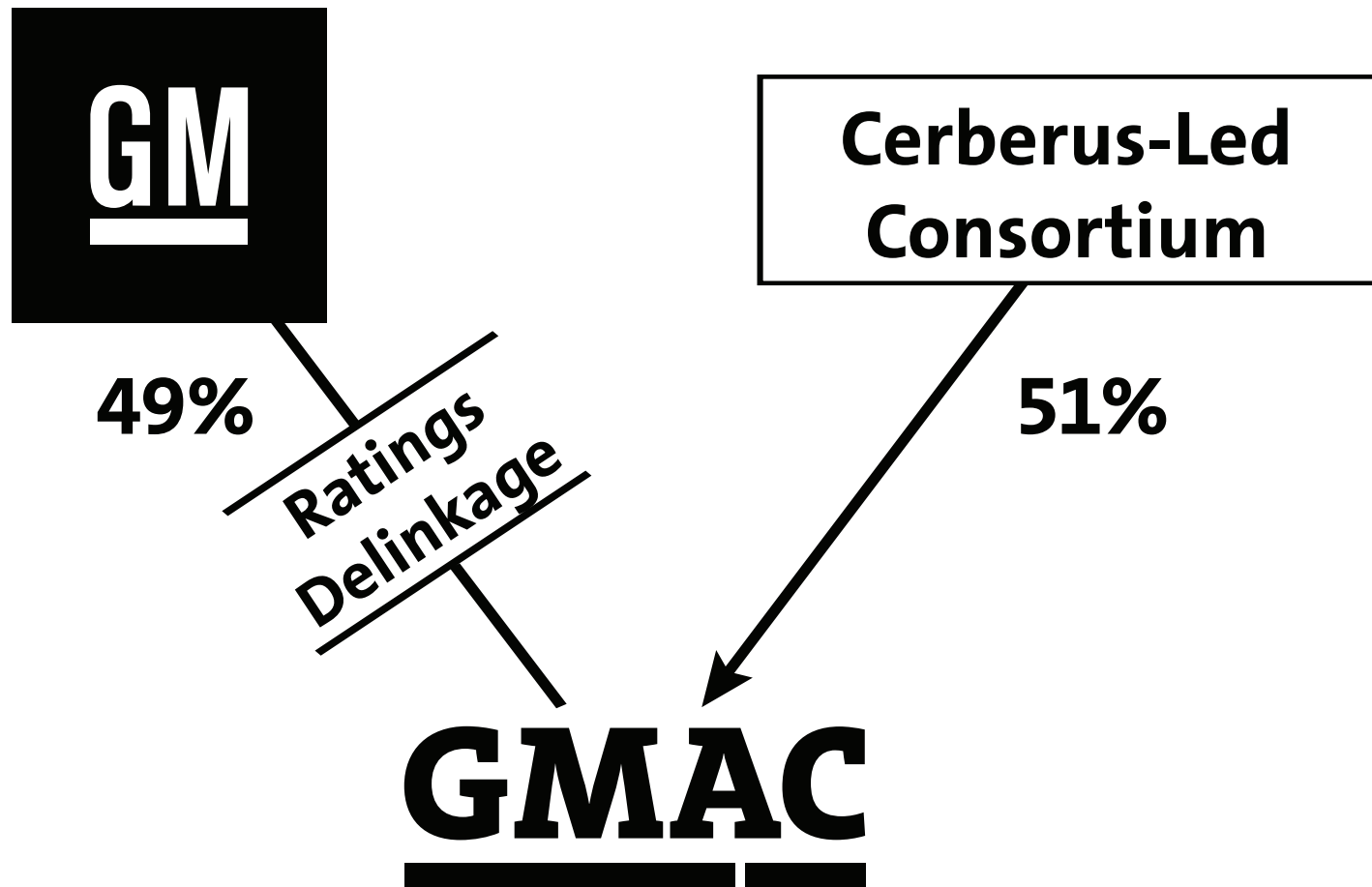
# ***GMAC Credit Profile***

- GMAC's credit profile will be improved considerably
  - Consortium and GM to invest \$1.9 billion in preferred equity
  - Significant re-investment of earnings over 5 years
  - Substantial reduction in credit exposure to GM
  - Strong independent corporate governance
  - 10-year steady flow of auto financing volume for GMAC

# ***Value Enhancement***

- **Value Play:**
  - Strengthen the capital base
  - Improve the credit ratings
  - Reduce borrowing costs
  - Expand net margins
  - Drive higher ROE
  
- **Value enhancement strategy aligns the interests of GMAC's shareholders and creditors**

# ***GM/GMAC Rating Delinkage***



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# ***GM/GMAC Strategic Linkage***



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# *Mutually Beneficial Relationship*



- Auto financing relationship
  - GMAC exclusive provider of GM's subvented auto finance programs

# *Mutually Beneficial Relationship*



- GMAC relationships with GM dealer network
  - *GMAC Customers*: Dealer floorplan financing
  - *GMAC Sales Force*: Auto finance and insurance products

# *Mutually Beneficial Relationship*

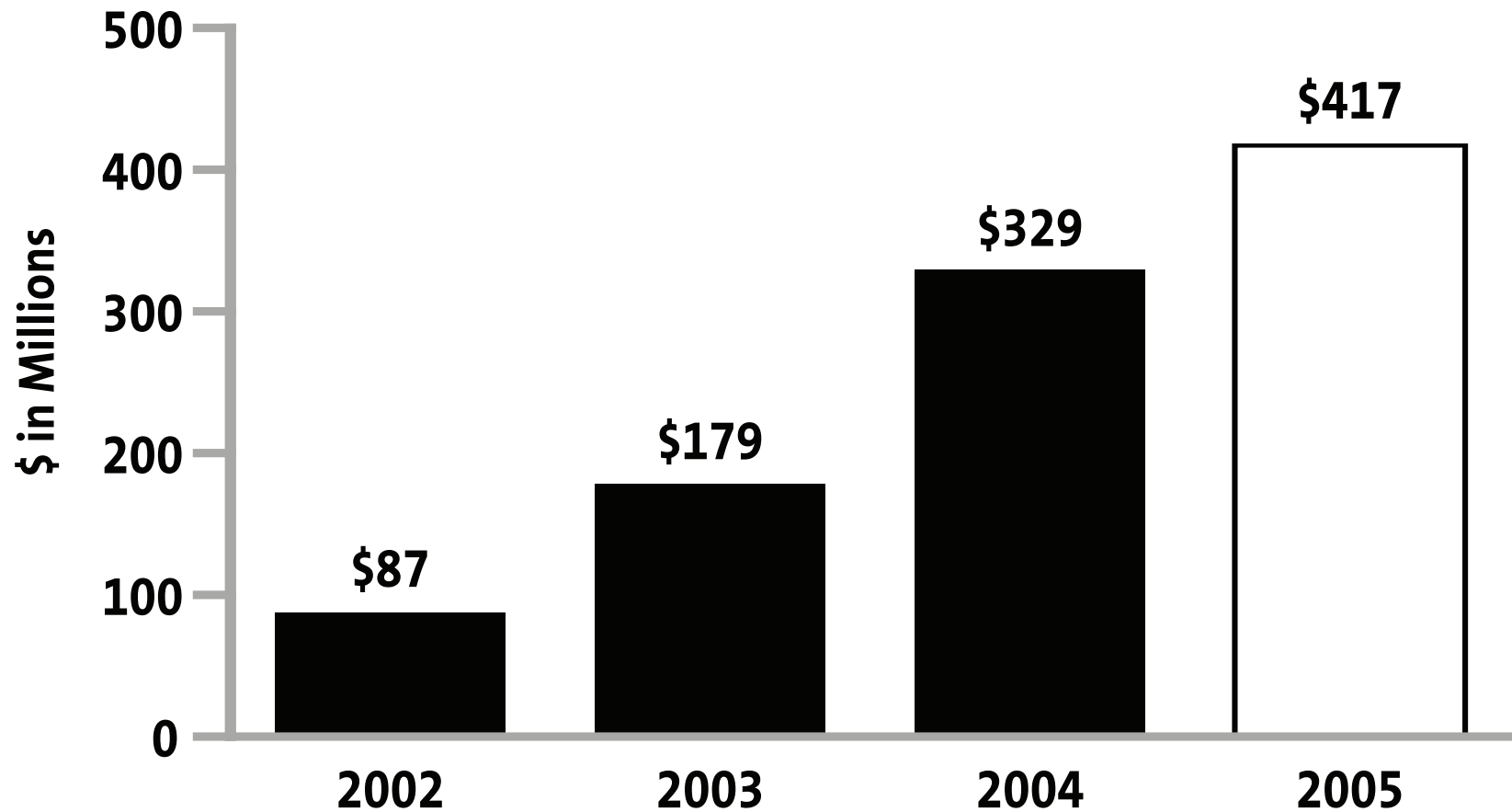


- “GM Family” customer base
  - Millions of customers for GMAC’s consumer finance products

# ***Business Outlook***

- Financing Operations
- Mortgage Operations
- Insurance Operations

# *Insurance Net Income*



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# *Insurance Operations*

## Operating Trends

- Insurance Premium Growth (G)
- Underwriting Performance (G)
- Growth in International Markets (G)
- Income from Investment Portfolio (G)

(\$ Billions)	1/1/03	1/1/04	1/1/05	1/1/06
Market Value of Investment Portfolio	\$5.1	\$6.2	\$7.3	\$7.7

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## ***Insurance Business Lines – Competitive Advantages***

- **Extended warranty**
  - Leverage GMAC's link to the manufacturer
  
- **Dealer inventory insurance**
  - Leverage GMAC's deep and long-standing dealer relationships
  - Bundling of insurance with floorplan financing
  
- **Personal lines**
  - Niche marketing to affinity groups including GM family and GM customers

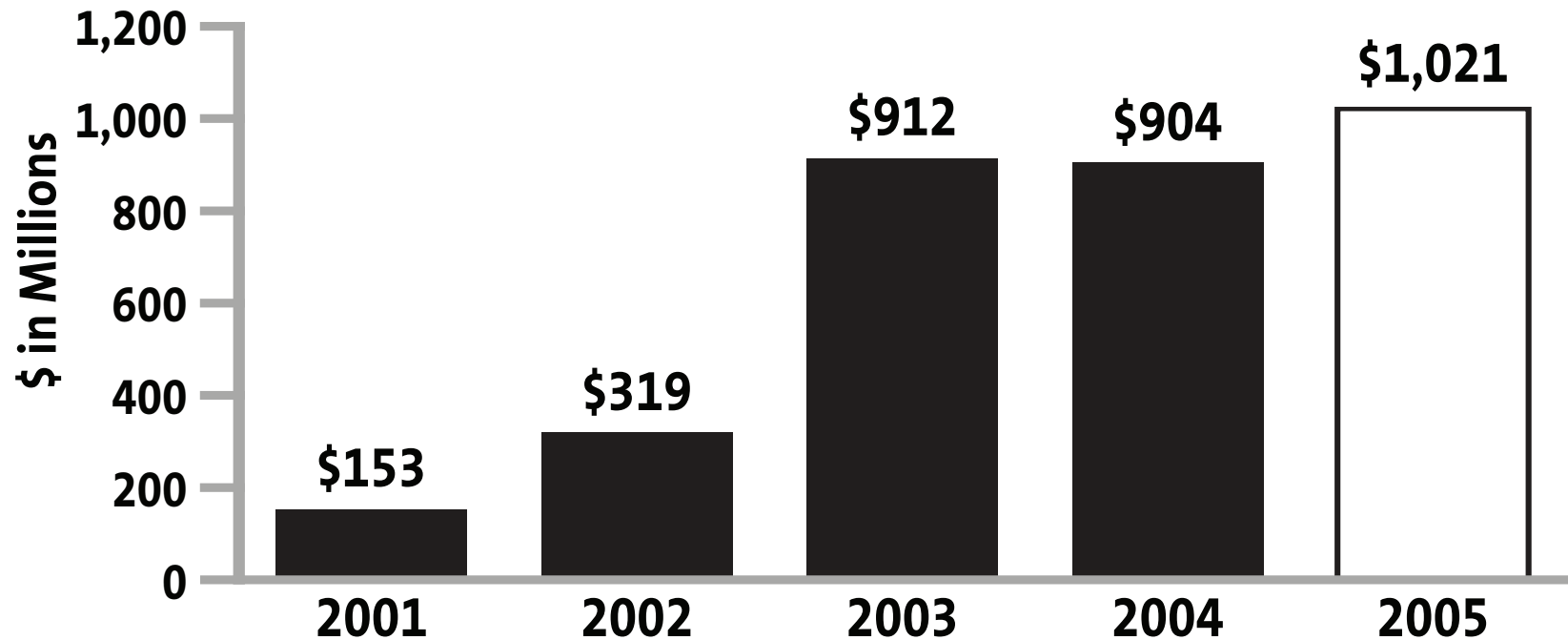
# ***Business Outlook***

- Financing Operations

- Mortgage Operations

- Insurance Operations

# ResCap Net Income

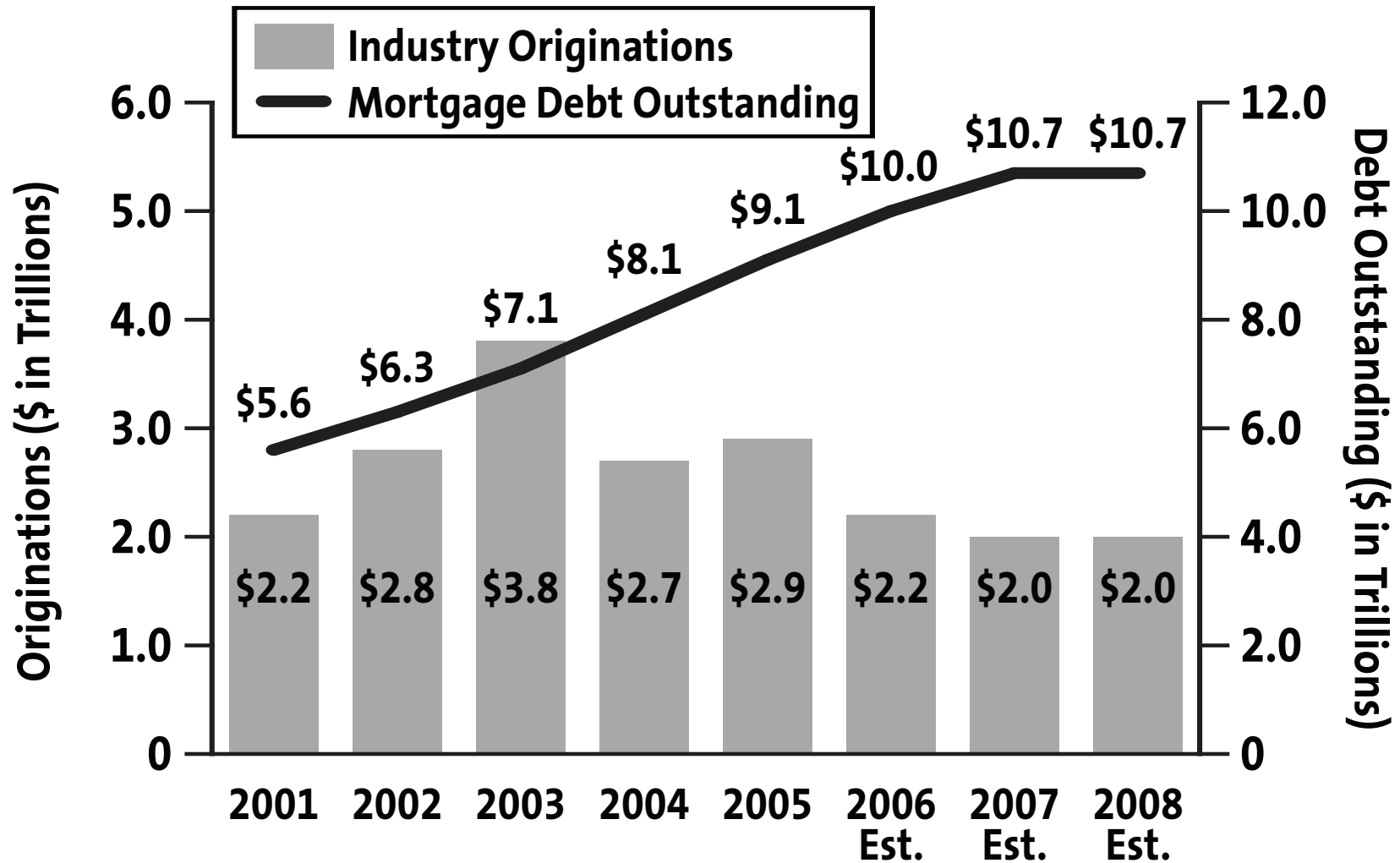


(\$ in Trillions)	2001	2002	2003	2004	2005
<b>Industry Volume*</b>	2.2	2.8	3.8	2.7	2.9

\* Source: Fannie Mae

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# U.S. Residential Mortgage Market



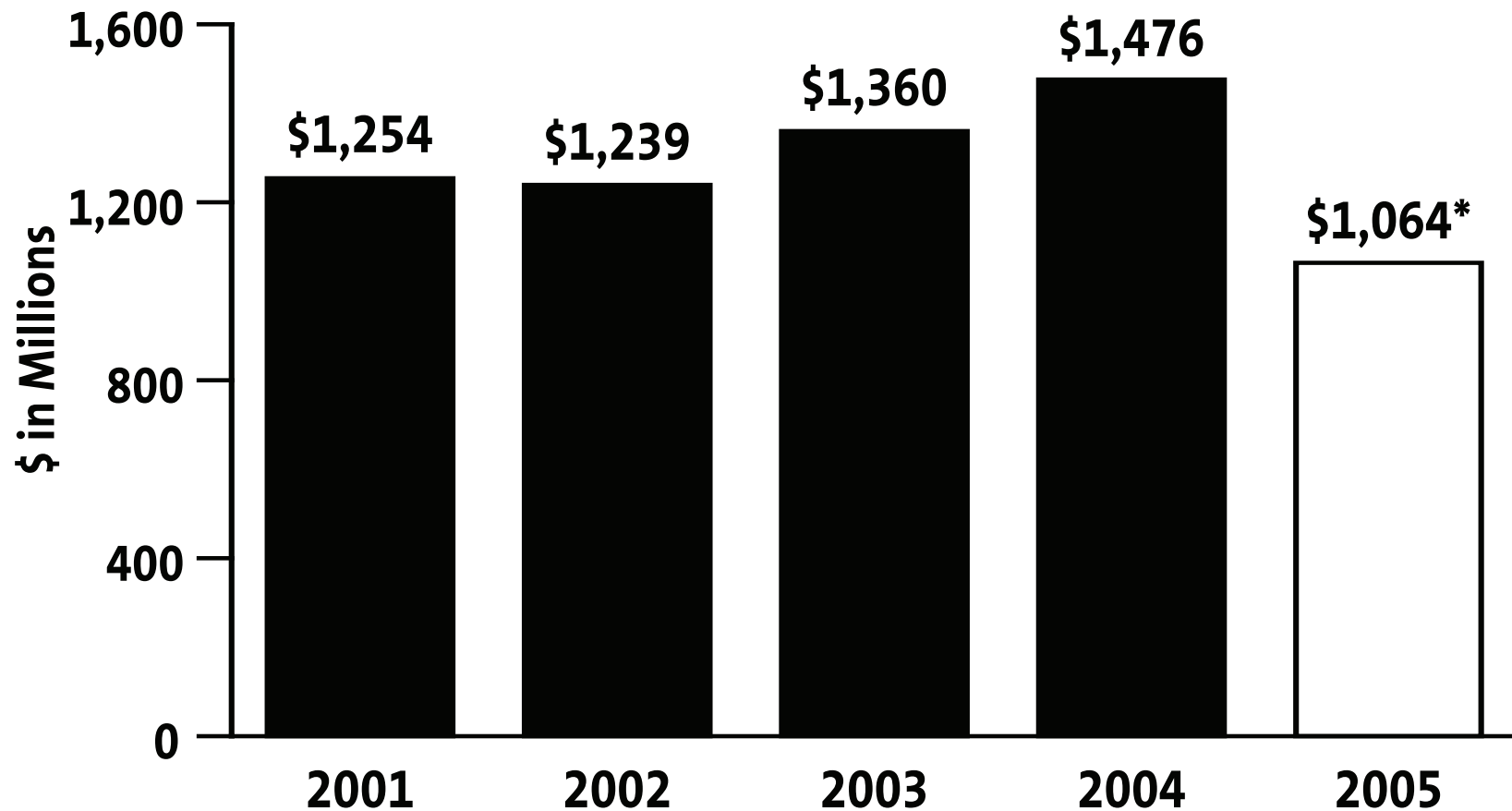
Source: Fannie Mae

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# ***Business Outlook***

- Financing Operations
- Mortgage Operations
- Insurance Operations

# Financing Net Income

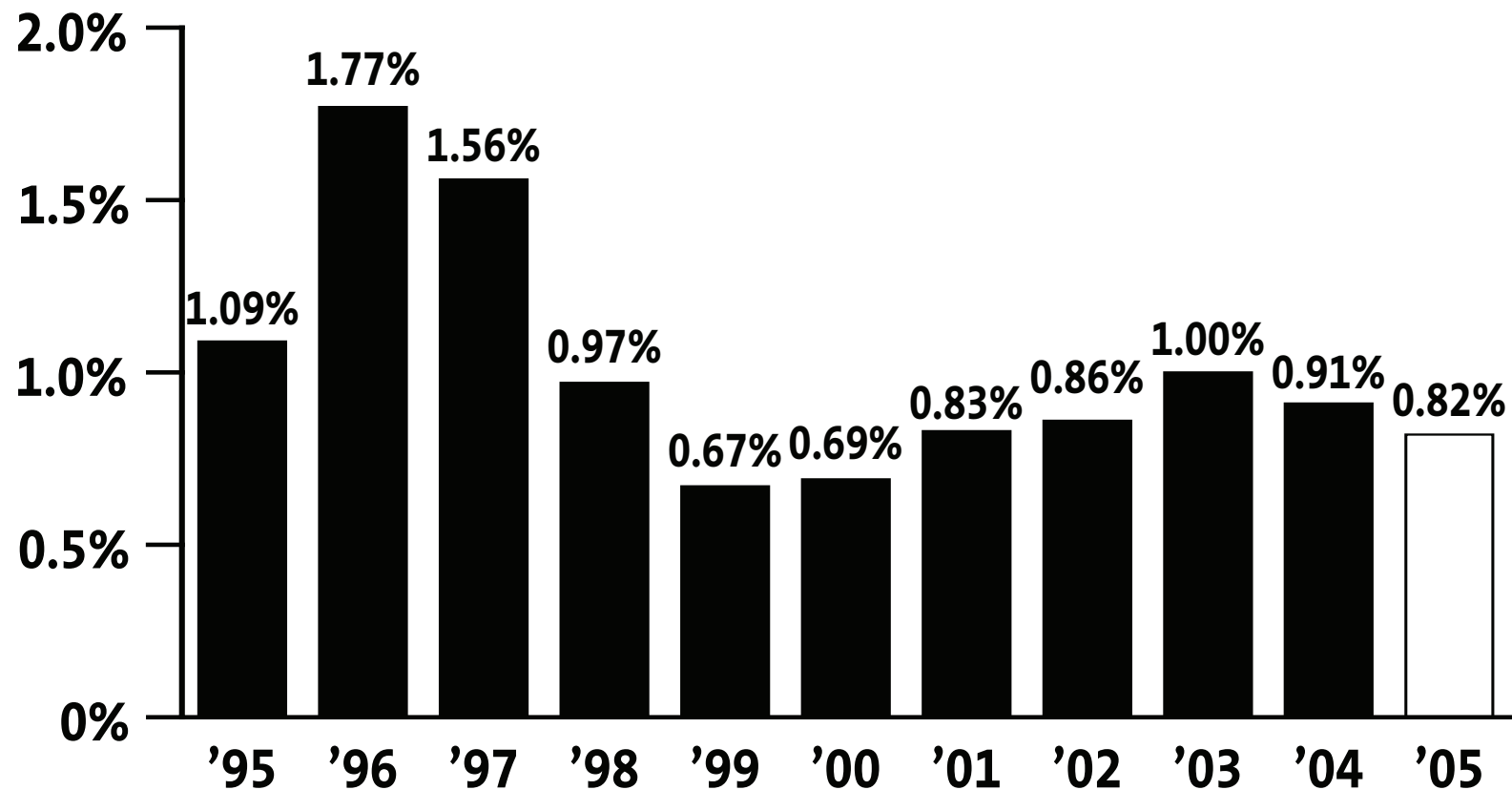


\* Excluding after-tax goodwill impairment of \$398 million for Commercial Finance

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# U.S. Retail Credit Quality

## U.S. Net Charge-offs as % of Retail Managed Assets\*

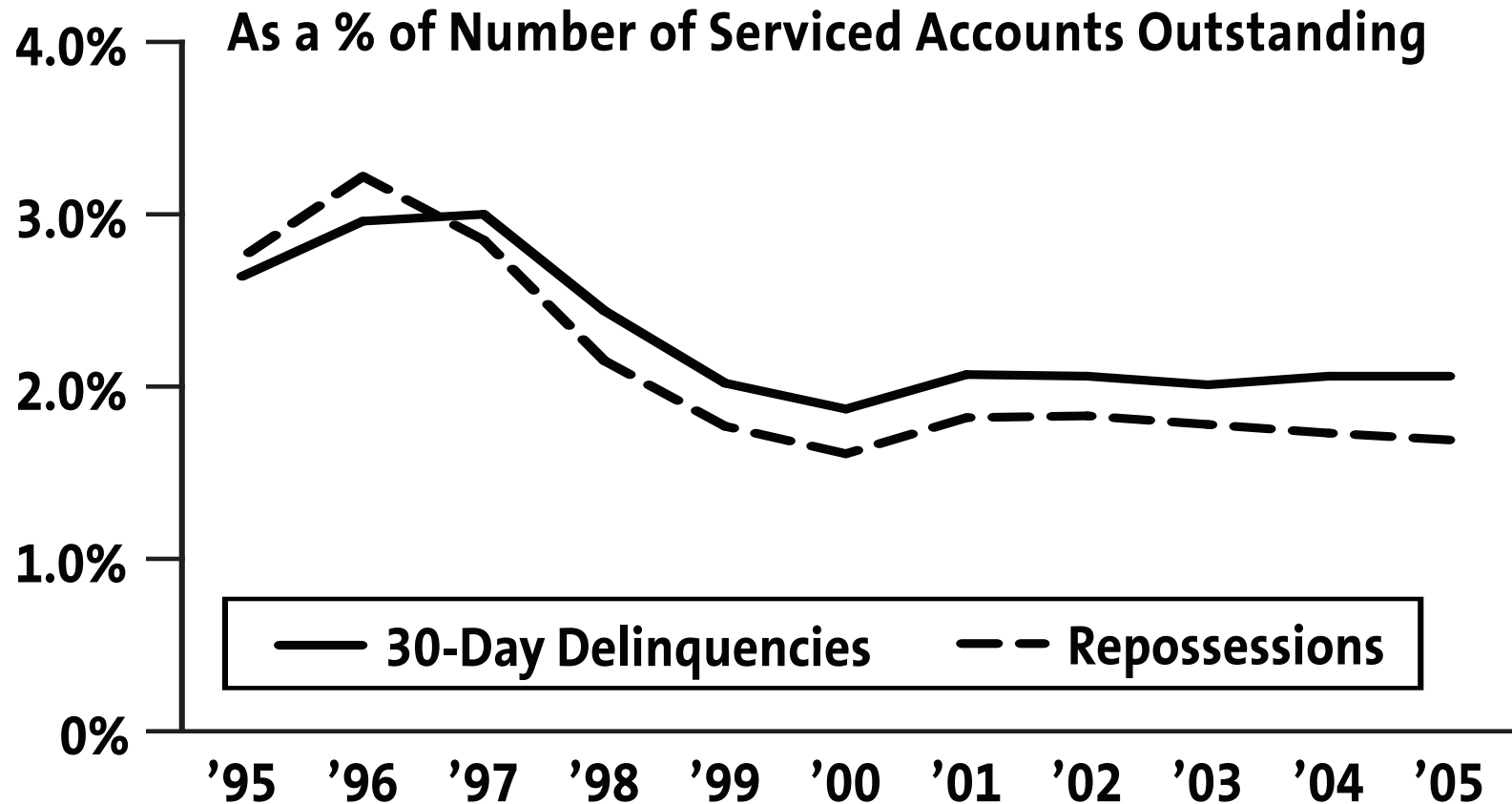


\* Includes Retail and SmartBuy

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# U.S. Retail/Lease Credit Quality

## Frequency of Loss\*

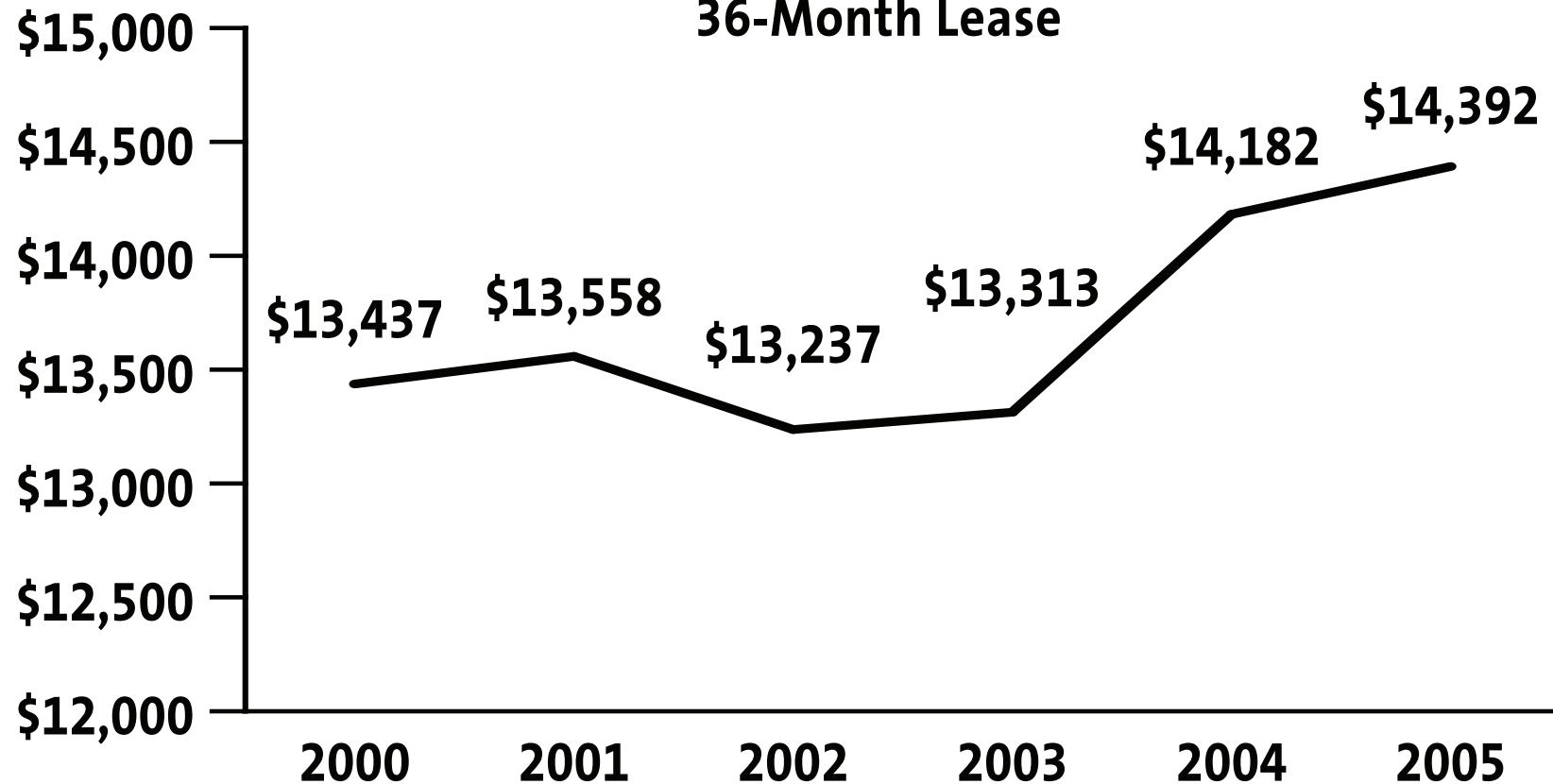


\* Includes Retail, SmartBuy and SmartLease

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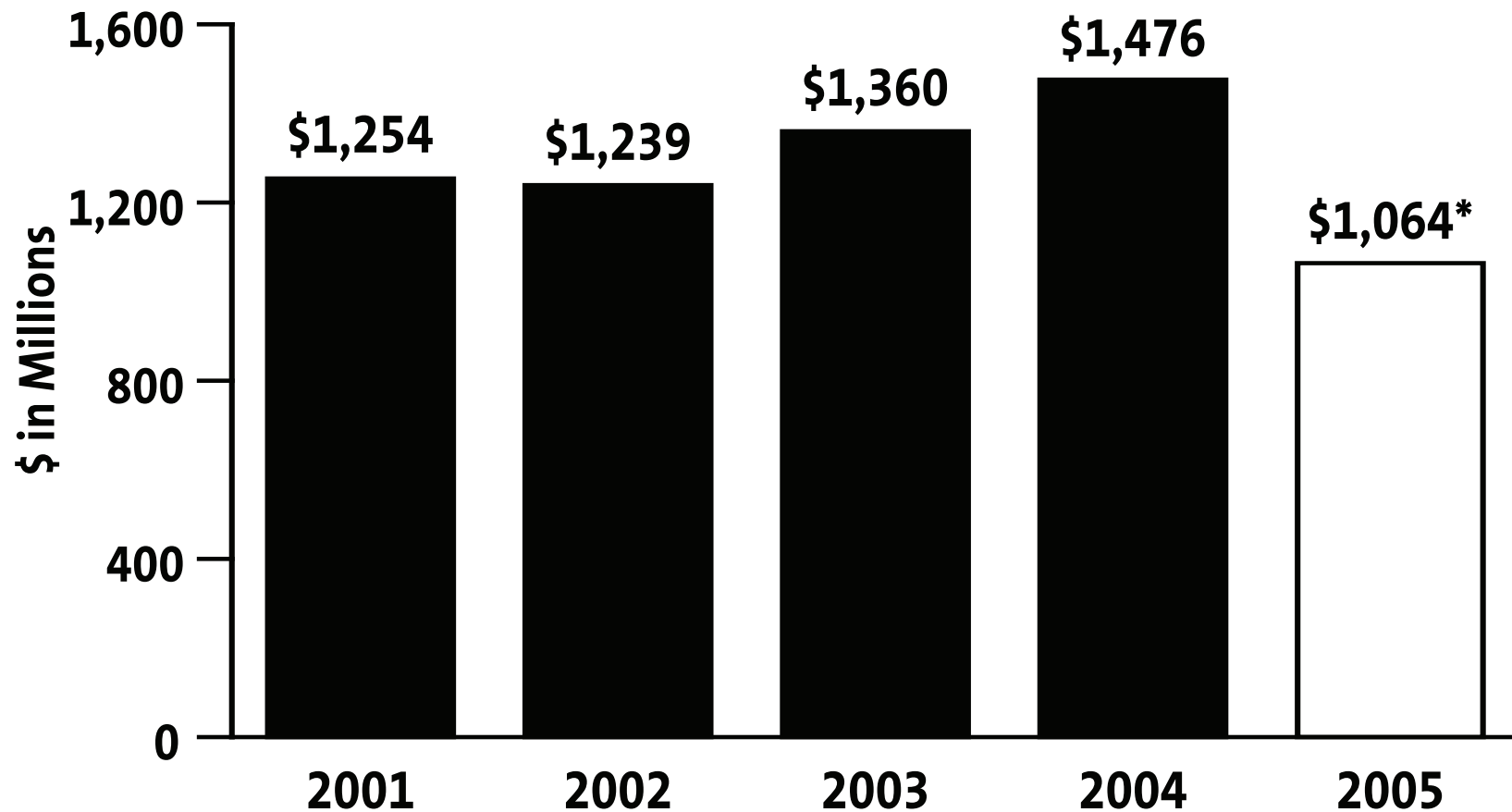
# *Sales Proceeds on Scheduled U.S. Lease Terminations*

**Adjusted for Vehicle Mix –  
36-Month Lease**



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# Financing Net Income



\* Excluding after-tax goodwill impairment of \$398 million for Commercial Finance

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## ***GMAC Auto Finance Growth Opportunities***

- Leverage existing relationships to capture opportunities within GM dealer channel
  - Used car financing
  - Non-prime auto financing (Nuvel)
- Leverage existing dealer relationships to expand presence in non-GM dealer network
  - Roughly 50% of GM dealers own non-GM dealership
- Continue to expand footprint into new countries
  - China, Russia, Eastern Europe, etc.

# ***Transaction Benefits Summary***

- Strengthened GMAC capital base long-term
  - Preferred equity injection of \$1.9 billion
  - Earnings re-investment provisions
- GM paydown of large inter-company obligations
  - GMAC's credit exposure to GM sharply reduced
- Significant and steady flow of auto financing revenue
- Transaction expected to achieve credit rating delinkage from GM

# *Summary*

- Business outlook for Finance, Insurance and Mortgage remains bright
  - Major operating metrics trending favorably

# Summary

